EQUITY REPORT RESEARCH

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Coverage: Macquarie Group Ltd. Financial analysis on the S&P ASX 200

EQUITY REPORT RESEARCH – MACQUARIE GROUP LTD.

An investigation over the financial performance and potential forecast scenarios for Macquarie Group Ltd. across the S&P ASX 200

I – INVESTMENT THESIS:

Macquarie Group is a diversified financial conglomerate comprising services covering financial management, asset management, commodities trading, and real estate trading, being one of the major players across the Australian market, as well as over the Asia-Pacific region. Although the firm managed to report a record Return on Equity (ROE) of 14,06% over the last 5 years, the firm underperforms compared to its peers over major profitability and valuation indicators, including the P/E ratio at 20,82, lower than its industry peers at 22,75, as well as its 5-year average operating margin at 33,64%, far below the industry's 42,03% average over the same period.

Following the firm's recent performance and its recovery from the previous 2024 underperformance, and which has been mostly noticeable in its negative -14,67% decrease in dividend per share, Macquarie has managed to deliver a strong recovery over FY2026, with net income growing over 30%, YoY to AUD 4.85B, with the asset management platform proving to continue its upward expansion, all while long-term investments have steadily increased, with long-term investments reaching from AUD 29B to AUD 35.62B as per 2026.

Latest stock performance & recommendation headline:

Latest Price	Target Price	Upside	Market Cap	Market Beta	6-month performance	Dividend per share	Recommendation	AXFJ-MQG Correlation
261.90	AUD 275	6.8%	AUD 97.4 B	0.9	+23.1%	AUD7.00	BUY	0.67

Analyst consensus vs our recommendation:

Firm	Rating	Target
JPMorgan	Buy	AUD 275
Jefferies	Buy	AUD 247
UBS	Hold	AUD 250
Citi	Hold	AUD 240
Goldman Sachs	Sell	AUD 218
Report	Buy	AUD 276

Our buy recommendation sits above the consensus major, joining the latest reports concluded by JPMorgan and Jefferies as per July 2026, with the main indicators being over the strong performance delivered in FY2026, with durability being also ensured by its strong valuation indicators, as well as the latest sustained growth, both in the middle and long-term run.

Market movement screening:

Scenario	Probability	Target price	Rationale
Bull	20%	AUD 300	Re-rating to the industry's average P/E ratio of 24x on continued growth momentum
Base	50%	AUD 275	Gradual P/E rating to 22x, further increased EPS growth over FY2027

This report is independent research conducted by the author and does not represent an investment recommendation. All data is available publicly.

Bear	30	AUD 225	Commodities or real-estate revenue decline, leverage constraints or general Australian bearish regime.

The obtained probability-weighted target price puts our estimation at **AUD 270**, confirming the Buy at current levels with meaningful upside even on conversative weighting.

II – BUSINESS PROFILE AND SECTOR POSITIONING:

2.1 – Overall view of Macquarie Group:

Macquarie Group is an Australian investment banking and financial services group headquartered in Sydney, with the firm employing more than 20,000 employees over 34 countries, with its main positioning being around Asia-Pacific and Europe. Founded in 1969 as a subsidiary of the UK's Hill Samuel & Co. Limited, Macquarie has evolved over the years to expand its offer of financial services and becoming nowadays one of the major significant forces in investment banking, asset management, or M&A services.

Macquarie Group distinguishes itself from the domestic market, and particularly the "Big 4" banks, which are Commonwealth Bank, Westpac, NAB (National Australia Bank) and ANZ: in effect, the earnings of these banks are mostly domestically yielded, driven by domestic demand for mortgages and net interest margins, while Macquarie has diversified its offer from fee-based asset management and global-market facing activities, and thus justifying the investment thesis over its domestic peers.

2.2 – Corporate structure & services:

Macquarie Asset Management:

The main service of Macquarie is its asset management division, with the branch managing over than **AUD 940 billion in AUM** (asset under management) across infrastructure, real estate, private credit, agriculture or listed equities, with infrastructure representing its major catalyst of offer. As per FY 2026, Macquarie Asset Management delivered a total net profit contribution of **AUD 2,602 million**, with its expanded income from equity investments, higher fees from M&A activity contributing to this **27% from FY 2025.**

Banking & Financial Services:

The retail and banking services of Macquarie provides mortgages, deposits, vehicle finance, and wealth management, with its focus being mostly internally across the Australian market, with a total net profit contribution of **AUD 1,610 million**, rising **17%** from the previous year, with a higher emphasis on net interest income driven by growth in the average loan and deposit portfolios, as well as higher fee and commissions from the funds across the platforms provided. Nonetheless, the contribution of the branch is the lowest from all four major departments of Macquarie Group, and thus resulting in a lower proportion of total net profit yielded by the corporation compared to its Big 4 peers. On the other hand, the lower exposure to the fluctuations of mortgage and net interest margins in Australia can also be advantageous for the firm, with Macquarie Group being less exposed than its peers on the eve of any potential cash rate changes announced by the Reserve Bank of Australia, as it was the case of Westpac's 20% exposure during August 2026 due to lower domestic demand growth for housing and mortgages.

Commodities & Global Markets:

With the sector being the most volatile domain for Macquarie Group, the Commodities & Global Markets provides trading, risk management, hedging solutions, and financing solutions for alternative investments, including commodities such as metals, or agricultural products traded on stock exchanges. The sector represented the biggest contributor to the group's net income, with a total of **AUD 4,221 million** being structured as per FY 2026, resulting in **a 49%** compared to the same period in 2025, with the main drivers being gains on sale from divestment of the OnStream meters platform, risk management income from the Global Gas and Power businesses, especially across the North American market as a way to diverge any potential dependencies from any Middle East position. Furthermore, potential improvements in the Chinese materials and industrial demand over the last year has provided potential strengthening for the firm, albeit to a lesser extent to the main dynamic across the S&P ASX 200, where the materials sector comprising major firms (BHP, Rio Tinto as examples) face higher exposure than other sectors across the largest stock exchange in Australia, with mining and materials firms being more impacted and reacting earlier than any major announcements from Chinese economists

Macquarie Capital:

The last sector of Macquarie, which comprises M&A advisory, equity capital markets, debt capital markets across Australia, Asia-Pacific, EMEA and the Americas, it is the direct branch that competes with major firms, including Goldman Sachs, JPMorgan or Barclays on large-cap transactions in Australian and Asia-Pacific markets primarily, with the sector yielding a total net profit contribution of **AUD 1,491 million over FY2026**, benefiting from exits in the infrastructure and technology sectors, as well as increases in the private credit portfolio.

2.3 – Revenue mix:

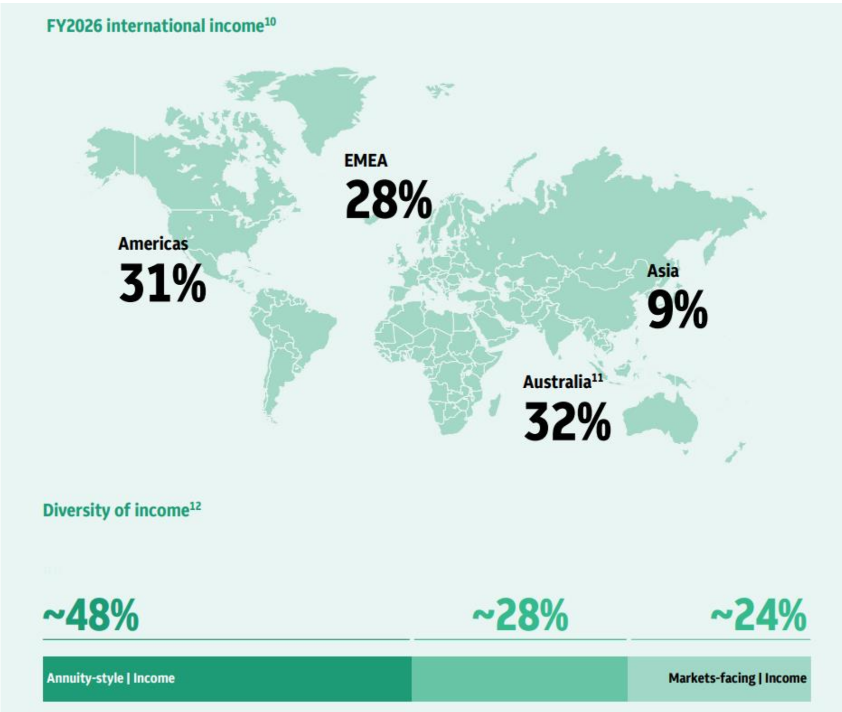

Figure 1 – the income contribution per region, and the diversity of Macquarie Group's income.

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This international diversification, which represents roughly **68%** of the group's total revenue represents the firm's ability at getting less exposed to any increased uncertainties in the Australian market, albeit the fact that Australia counts for **32%** of its total income. At the same time, the high exposure to the EMEA and Americas markets, as well as income from market-facing investments represent a potential for Macquarie to offset any uncertainties related to economic cycles or currency movements affecting principally the Australian Dollar.

2.4 – Sector positioning on the Australian market:

Even though Macquarie Group (MQG) is listed on the S&P ASX 200, belonging to the stock exchange's financials index (AXFJ), the group demonstrates meaningful structural divergence compared to its local competitors. Based on data regrouping the total daily returns between March 2022 and March 2026, the correlation **between MQG and AXFJ returns resulted at 0.68**, implying that less than half of Macquarie's price variance is explained by changes in the financials index and Australian dynamics.

Further evidence has been shown by the latest announcement of the Reserve Bank of Australia (RBA), who has decided on **August 11th** to maintain its cash rate **at 4.35%,** with explicit warning over potential future hikes if the CPI won't diminish itself, with the RBA aiming for an end-of-year forecast at **3.5%.** The AXFJ declined **0.27%** while MCQ fell only by **0.23%.** At the same time, the other major firms saw declines, with Commonwealth Bank decreasing **0.20%,** while ANZ Holdings decreased **1.29%.**

With a market beta at **0.90** against the broader ASX 200 volatility, the structure and revenues stream of Macquarie can be explained further by this near-market neutrality despite operating in the volatility nature of the stock exchange, with the investment implications indicating that Macquarie Group is misclassified by the market as a rate-sensitive domestic bank, albeit the fact that most of its earnings are gained overseas. Furthermore, the **20.82x** P/E discount to the industry average of **22.75x** partially reflects this perspective and represents the core valuation opportunity that is identified further.

Company	Market Cap	P/E ratio	Op. Margin	ROE (5-year)	Beta	Dividend yield
Macquarie Group (MCQ)	AUD 97.4B	20.82X	22.3%	14.06%	0.9	2.99%
Commonwealth Bank (CBA)	AUD 279.5B	25.6X	56.21%	13.39%	0.81	2.82%
Westpac (WBC)	AUD 120.8B	17.5X	51.26%	9.02%	0.73	3.84%
NAB	AUD 127.6B	21.1X	52.47%	11.34%	0.72	4.28%
ANZ	AUD 117.2B	19.6X	49.22%	9.8%	0.57	4.2%
Goldman Sachs	AUD 444.55B	16.1X	35.83%	12.73%	1.29	1.08%
Barclays	AUD 133.95B	10.8X	35.43%	8.96%	0.88	1.6%

Table – Macquarie Group comparison to the Big 4 Banks in Australia and Global Bulge Brackets. Sources: Investing.com.

III – Company financial snapshot:

3.1- Financial overview:

The recent performance of Macquarie between 2022 and 2026 reflects on distinctive cycles, with exceptions earnings driven by volatility in commodities through 2022 and 2023, followed by a normalisation across FY2024, and a restructured recovery and stabilisation followed in FY2025 and FY2026.

Metric	FY2022	FY2023	FY2024	FY2025	FY 2026
Total revenue	17.40	19.41	16.91	17.31	19.6
Revenue growth	34,70%	9,99%	-11,63%	2,36%	13,23%
Net income	4,706	5,182	3,522	3,715	4,847
Net income growth	56,09%	10,11%	-32,03%	5,48%	30,47%
Basic EPS	12,72	13,54	9,17	9,75	12,67
Diluted EPS	**12,31**	**13,16**	**9,11**	**9,75**	**12,67**
Divided per share	**6,22**	**7,5**	**6,4**	**6,5**	**7**

Table – Macquarie's reported income statements. Source: Macquarie Group Ltd., Investing.Com.

The most interesting analysis is the total decrease in FY2024, with the observed figures in the decrease of revenue and net income, which is further translated in the final dividend per share, is explained by the decrease of the group's Commodities & Global Markets division, who has previously benefited from the inflationary and uncertainty cycles coming from the sector of commodities and industrial products, who have befitted from the swings coming from the War in Ukraine, as well as the global uncertainty that was marked by hawkish inflationary cycles post-Covid. Following hawkish stances by central banks, including the Reserve Bank of Australia's who was reaching as high as 4.35% as per November 2023, a normalisation period occurred where commodity prices have stabilised, and where inflation started to decline. By then, revenue fell by **11.63%,** which translated in a 5-year low **6.4 dividend per share**, as well as **9.11 of diluted EPS.**

FY2026 – signs of hope or simple stabilisation?

As per FY2026's published results by the group, revenue growth saw steady increases by **13.23%,** recovering to a total net income of AUD **4.84 billion**, while EPS returned to a steady level of **AUD 12.67**, a result mainly driven by the steady performance of Commodities & Global Markets regarding incurred fees, as well as the stability in infrastructure asset management that has been pursued by Macquarie Asset Management. The sustainability of this growth could be questioned, as further evaluation of the firm across the S&P ASX 200, including the recommendation of Goldman Sachs to sell the share at a target price of **AUD 218 (as per April 2026)** could suggest that the potential recovery is cyclical, and driven mostly by structured volatility over commodities (and especially oil given the development of the ongoing conflict in the Middle East) and the frequency of activity over the Australian M&A landscape. Nonetheless, the steady increase in long-term investments to **AUD 35,625**

As per FY2026, as well as the firm's ability to have a steady operating margin over the last 5 years at **33,64%** suggest that Macquarie follows a structural deployment and growth of its capital, not solely following cycles.

Balance sheet overview:

Metric	FY2022	FY2023	FY2024	FY2025	FY2026
Total assets	399,176	387,872	403,404	445,221	540,101
Long-term investments	14,72	20,797	29,096	27,219	35,625
Total liabilities	370,37	353,766	369,408	409,432	503,245
Long-term debt	122,936	98,886	106,841	111,134	127,983
Total equity	28,806	34,106	33,996	35,789	36,856
Total debt	123,522	99,588	108,972	113,38	128,906
Debt growth	52,49%	-19,38%	9,42%	4,05%	13,69%

Table – Macquarie's reported balance sheet. Source: Macquarie Group Ltd., Investing.Com.

The most noticeable development across the balance sheet is the expansion of assets, who have noticeably increased by **21.31%** across FY2026, reaching a total of **AUD 540 billion** compared to **AUD 399 billion** in FY2022, all while debt growth has been steady and sustained across the period, reaching a total high of **AUD 128 million** in FY2026. Long-term debt grew modestly to **AUD 128 billion**, keeping the leverage profile manageable. Total equity grew, though, solely at **28%** compared to the **35%** total growth for assets over the period, showing that potential issues of profitability could be noticed in the foreseeable future, albeit remaining highly diversified for a financial institution.

3.2 – Macquarie against its competitors:

Metric	Macquarie	Industry average
P/E ratio	20,82	22,75
Operating margin – 5-year average	33,64%	42,03%
ROA - 5-year average	1,12%	1,84%
ROE - 5-year average	14,06%	12,55%

Table – Macquarie's against its main competitors. Source: Bloomberg.

Despite superior ROE of **14.06%** compared to the industry average of **12.55%,** Macquarie Group trails behind its peers regarding major valuation and performance ratios, with three main structural gaps explaining the following results:

- The cost structure of Macquarie is relying more on global commodities across global markets, infrastructure asset management platform, as well as investment banking operations done simultaneously. All these structures require technology, high infrastructure, and talent to support all those operations, which are done more globally than any other Big 4 bank across

Australia, making the cost-to-income ratio structure higher for Macquarie than traditional retail banks.

- Another explanation could be regarding the comparison, and especially the companies selected to be benchmarked against Macquarie. In effect, most of the direct competitors across Australia or the S&P ASX 200 are positioned as highly efficient retail banks, who are garnering their advantage from net interest income with relatively low variable costs. For a broader comparison, putting Macquarie in the same comparison as Goldman Sachs, UBS, or Barclays could feel more appropriate on the global scale, albeit not applicable totally on the Australian local market, where the firm has its stock listed.
- The **ROA** of Macquarie (**1.12%** compared to **1.84%** for its industry peers) is lower given the balance sheet structure that the group disposes of, mainly consisting of long-term investments who are structured around client trading assets, or infrastructure investments generating return fees instead of net interest margins like traditional retail banks.
- The **ROE** outperformance of Macquarie **(14.06% versus 12.55%)** is the more meaningful indicator for any investor. In effect, it measures the return on equity that has been deployed. Macquarie outperforms its competitors and further proving that the P/E discount is not justified, especially when we look at the price target rationale displayed by other institutions.

IV – Financial valuation & forecasts:

4.1 – Overall Australian macroeconomic framework:

4.1.1 – Inflation:

The latest **Australian Q2 report for CPI** saw inflation easing at **3.9%** from a two-year high of **4.1%** in **April 2024,** while the June CPI reading fell at **3.8%,** showing some easing in the reported price raises that have affected different sectors, notably energy and petrol prices. Nonetheless, the trimmed inflation mean method used by the RBA as a reference remained at 3.6% as per August, showing that the actual situation sits way above RBA's objective of **2-3%** target. Different marketers, including the Commonwealth Bank of Australia or ANZ. Holdings indicate that normal inflation won't return to the targeted margin by the RBA until June 2027, showing that the Reserve Bank might not be pushed yet to stabilise entirely its cash rate policy, with Governor Bullock indicating that potential hikes of the rate may occur if the situation worsens.

4.1.2 – Labour market:

Although unemployment rate continued to remain stable at **4.4%** as per July 2026, the target rate remains above the desired **4.2%** forecast that the RBA shaped earlier in its latest forecast report for the end of year, even in the context where both the employment changes spurred by 76.300, while the participate rate of the active population increased slightly at **67%.** Nonetheless, weaker economic growth is expected by the RBA, with the central bank's report in May expecting **GDP growth** reaching as low as **1.4%** growth by June 2028, all while seeing unemployment rate rising to **4.7%** as a direct consequence. This softening of the labour market makes a specific policy dilemma given the potential increase of unemployment which would leave room for potential rate cuts, while the continuing inflation may justify holding rates for the middle run, with different forecasts expecting the RBA to maintain its cash rate of **4.35%** throughout the remainder of the year.

4.1.3 – The continued policy of the RBA:

The momentum of the RBA continues to favour maintaining the *status quo* for its cash rate, with the latest meeting on the 12^{th} of August arguing unanimously for maintain the 4.35%, albeit on a cautious note, with Bullock warning on potential future rates increases, which could establish the movements of different stocks around the AXFJ, including Macquarie Group. Any continued rate could eliminate any short-term risk related to margin compression on the income statement of Macquarie Profit and its net margins, while any rate hikes could maintain elevated FX and interest rate derivatives hedging, especially in the context of a potential bearish movement of the AUD compared to the USD, or for any strengthening of the USD to other local currencies in Asia-Pacific.

By having inflation trimmed down slightly around current levels along with low movements in the unemployment rate, the report argues that the cash rate will be hold, with the first cuts due to be expected around the first quarter of 2027.

4.2 – Overseas dynamics:

4.2.1 – FX dynamics:

Over the last week, the AUD/USD FX movement saw a flat movement of **0.24%,** reaching a total of **0.7086,** which sees a lower movement compared to the previous peaks during April and May, when the rate reached as high as **0.7259,** reflecting a slight weakening of the US Dollar on a global level, which can revealed further on a general **1.26%** decrease of the **Dollar Index (DXY),** all while weakening any potential negative offset between the Chinese latest industrial evolutions and the position of Australian firms in the mining and material sector, which are affecting the level and strength of the AUD.

Nonetheless, the latest FX movements represent a general strengthening from the previous low figures during November 2025, when the AUD/USD reached **0.6456**, representing the low range that has shaped the AUD during 2024 and 2025, which represents a boost in the activities of Macquarie Group given the fact that more than 2/3 of the revenue is generated outside Australia.

Latest FX figures of the AUD and potential scenarios:

FX exchange	Latest scenario	Bull scenario	Bear scenario	Impact on Macquarie
AUD/USD	0.7086	0.65	0.73	Lower AUD would imply higher reported revenues
AUD/EUR (affects operations in EMEA mostly)	0.61	0.55	0.7	Lower AUD would imply higher revenues over EMEA
AUD/GBP (operations across the UK)	0.52	0.45 to 0.5	0.63	Lower AUD = higher UK revenue
USD/SGD (Singapore operations)	1.28	1.20	1.40	Weaker SGD would signal lower AUD-based revenues
USD/HKD (Hong Kong positioning)	7.85	7.75-7.85	7.75-7.85	Currency pegged, no major impact
USD/KRW (Korea operations)	1416.86	1350	1500	Stronger KRW would result in better AUD-

				based revenues
USD/JPY	159.30	155	165-170	Stronger JPY = stronger AUD-based revenues
CNY/USD (related to Chinese exposure)	0.15	0.16	0.13	Stronger CNY can ensure better strengthening of revenues and economic stimulus

Table: AUD cross currency section framework and impact on Macquarie's activities. Sources: author estimates, Investing.com.

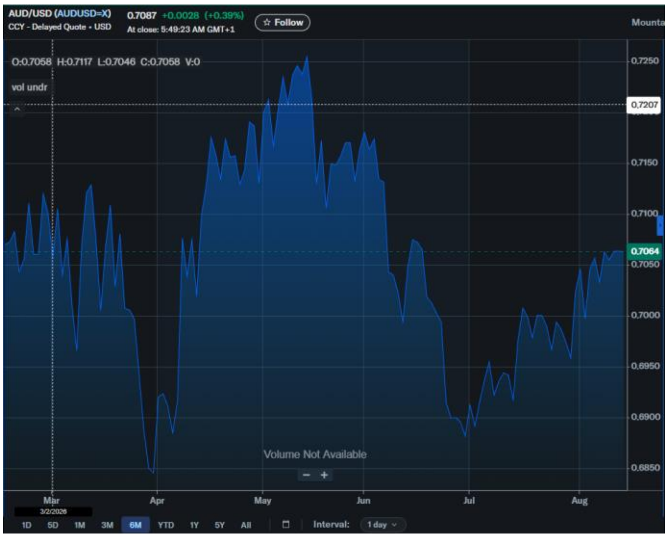

Figure 2 – 6-month evolution of the AUD/USD FX rate (source: Yahoo! Finance)

4.2.2 – Dynamics around the Chinese PMI:

The latest figure for **China's industrial PMI** fell to **49.2 in July** compared to **50.3 during June**, with the reported data being lower than the forecasted value of 50.1. As most of the firms across the S&P ASX 200 are dependent on imports and commercial trade with Chinese counterparts, especially in the sector of mining and materials, the decline of the Chinese PMI could be a bearish sign for the Chinese economy, with the data capping the Australian Dollar's upside movement, all while being softened by any potential weakening of the US Dollar. This is further crucial for Macquarie and its Commodities & Global Markets sector who depends heavily on the trading and revenues generated from energies, metals, or other precious commodities across the Chinese market, which are directly linked to the demand of the Chinese industrial market.

Further contractions of the Chinese PMI could imply a potential reduced demand for iron and copper demand from Chinese large industrial firms, which would decrease trading volumes and the prices of those commodities, all while reducing any hedging demand given that Chinese industrial will decrease their purchases of forward-priced commodities, making the bid-spread revenue of the Commodities & Global Markets lower for Macquarie. Other issues could be related to the ongoing deleveraging and crisis hitting the Chinese property market, with constructions decreasing significantly, and thus reducing demand for steel, while the continued expansion of the Chinese EV market can reduce the latter demand for petrol and batteries, impacting indirectly the direction that Macquarie seeks in its margins.

Scenario	Chinese PMI data	Impact on commodities	Potential impact on Macquarie's department
Base	49-50	Silver Futures remain around 62-64 USD while copper futures at roughly 6.61	Normal activity, ongoing stable interest margins and commission fees earned
Bull	52-54	Silver futures increase above 65 USD, with copper futures increasing slightly towards 6.65	15% increase
Bear	46-48	Silver futures drop to a range of 58-60 USD or lower, while copper futures see higher future pricing swings	-20% decrease, especially around higher costs of trading

4.3 – DCF Scenarios:

Capital structure initial information:

Indicator	Value
Debt structure est.	**57%**
Equity structure est.	**43%**
Cost of equity	**8.78%**
Risk-free rate	4.97%
Equity Market Risk	4.23%
MQG Market Beta	0.9
Australia Corporate Tax Rate	30%
Post-tax cost of equity	6.14%
WACC (Weighted-Average Cost of Capital)	**7.28%**

Driver	Base scenario	Bull scenario	Bear scenario
AUD/USD rate	0.7086	0.65	0.73
RBA's cash rate	4.35%	4.65-4.80%	Below 4%
Chinese PMI data	49-50	52-54	46-48
EBIT growth rate – 2027 to 2031	7%	10%	3%
Terminal growth rate – 2027 to 2031	3%	4%	2%
Terminal Value	AUD 189 B	AUD 280 B	AUD 135 B
Discounted Terminal Value	AUD 127 B	AUD 171 B	AUD 83 B

Enterprise Value (EV)	**AUD 162 B**	**AUD 208 B**	**AUD 116 B**
Equity Value	AUD 77 B	AUD 130 B	AUD 21 B
DCF per share	AUD 208	AUD 387	AUD 57
P/E Target – share price	**AUD 275**	**AUD 300**	**AUD 225**
Probability	50%	20%	30%

Table: DCF scenarios with main indicators and drivers. Sources: Macquarie Group Filling, Author's Estimates.

Note about the methodology used:

All the values thrived and estimated are based on a projection from 2027 until 2031, with a base equity value of **AUD 208 per share**, which is below the latest reported stock price figure of **AUD 261.90**. This represents the limitations of using the DCF method by determining Free Cash Flows first given the lack of structured stability around the changes in net working capital, the estimate growth levels for depreciation and amortisation, as well as any off-balance sheet fee income or management fees that haven't been captured entirely during the modelling of the DCF, with the eventual P/E target estimate serving as the main catalyst for the report, while the DCF represents a more conservative reading of future projections. The premium of Macquarie's Asset Management structure is further proven by the gap between the P/E target and the DCF per share figures in the initial scenario, which is justified by the MAM's incurred structural fee income and investment in infrastructure positions.

V – Risks & conclusion:

5.1 – Key risks:

Upside risks	Downside risks
RBA easing its interest rate cycle as early as H1 2027	Further hikes announced by the RBA, with interest margins being compressed
Chinese stimulus package proves as being efficient, driving the Chinese PMI further up	Chinese PMI continues to be unstable, or lowers further, compressing the gains of the Commodities & Global Markets sector
AUD/USD retreats roughly to lower levels, ensuring continued revenue strengthening overseas	AUD/USD strengthens further to 0.73
Further infrastructure activities or supervising announced later during the year	ASX VIX keeping lower values around 10.2, creating volatility risk around high swings in the value, impacting Macquarie's market-facing businesses in Australia
Overall CPI eases out near the targets required by the RBA by June 2027	The capital reached through deal flow decreases as M&A activity slows

5.2 – Conclusion:

Macquarie Group makes for a compelling Buy at its current level. Trading at **20.82x P/E** against an industry median of **22.75x**, this valuation discount is due to the systematic mis-categorization of Macquarie as a domestic rate-sensitive bank instead of a global alternative asset manager, which is also borne out by the **0.67** correlation with the AXFJ.

The key risks are a persistent Chinese PMI under 48 that reverses CGM earnings and the AUD/USD moving above **0.73** to compress international revenue translation. Both tail risks are included in the Sell rating (**AUD 218**) by Goldman Sachs, with the base case giving any possible stable movement a **20%** likelihood of occurrence.

The probability-weighted target of **AUD 267** provides **4.8%** upside from **AUD 263.46,** along with a total **expected return of about 7%,** which includes **a 2.99% dividend yield**. **Buy maintained.**

BUY | Target Price: AUD 275 | Probability-Weighted: AUD 267 | Upside: +6% | Total Return: ~7%